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WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY
LAND QUALITY DIVISION

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Land Quality Division (WDEQ/LQD) and Intermountain Construction and Materials (ICM) a company authorized to do business in Wyoming, enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in **Notice of Violation (NOV) Docket Number 5420-14, dated May 16, 2014**. The Notice of Violation (NOV) alleges that the operator affected lands outside the approved permit boundary and failed to properly protect topsoil. The site of the violation is located in Section 22, Township 55 North, Range 83 West. This is a violation of the Wyoming Environmental Quality Act (Act) and applicable Wyoming Department of Environmental Quality/Land Quality Non-Coal Rules and Regulations (WDEQ/LQD NC R&R). W.S. §35-11-901(a)(ii) authorizes the WDEQ to negotiate a stipulated settlement, including payment of a penalty, in lieu of litigation. To that end, ICM and the WDEQ/LQD hereby stipulate and agree as follows:

1. The WDEQ, pursuant to W.S. §35-11-104, is a department in the executive branch of the state government of Wyoming and is principally situated in Cheyenne, Wyoming. DEQ is the agency with the responsibility for administering the Wyoming Environmental Quality Act including all provisions of the WDEQ/LQD R&R.

2. ICM is the operator of a sand and gravel mine located in Johnson County, Wyoming. This mining operation is permitted with WDEQ/LQD as mining Permit No. SP0718. As part of its operation ICM mines mineral from this site and distributes or sells the mineral mined for commercial use.

3. The Notice of Violation was written due to offsite impacts prevalent on the southeastern edge of the approved permit boundary and sedimentation that was deposited on topsoil stockpile located along the southeastern edge of the permit boundary. Failure to protect topsoil is a violation of Wyoming Statute §35-11-415(b)(ii) and offsite impacts are a violation of Wyoming Statute §35-11-415(b)(iii).

4. By no later than August 1, 2014, ICM shall submit and complete through approval by the LQD a Permit Revision to Permit SP0718 that encompasses the offsite impacts and revisions to the reclamation plan as required to illustrate surface water control and slope stabilization measures. ICM's reclamation of the site shall be completed by November 1, 2014 and shall be done in accordance with WDEQ/LQD rules and regulations regarding slope stabilization, contouring, surface water management, topsoil laydown, and permanent seeding. Seeding of the area shall occur after September 15, 2014. These stipulations are dependent upon weather and any probate decisions by the court regarding the late Charles Evitt's property.

5. If ICM fails to complete the requirements set forth by this signed settlement agreement by the agreed upon deadline, they then agree to pay a total penalty of Twenty Thousand Dollars ($20,000.00) for the violations stated in Item 3 above as a settlement for the resolution to this matter in lieu of litigation under W.S. §35-11-901(a)(ii). ICM shall pay $20,000.00 directly to the WDEQ/LQD. Payment is due and payable within thirty (30) days of failure to complete the work by the deadline of November 1, 2014. Payment to WDEQ/LQD shall be by check made payable to the Wyoming Department of Environmental Quality/Land Quality Division and shall be sent to: Nancy Nuttbrock, Administrator, Wyoming Department of Environmental Quality, Land Quality Division, Herschler Building, 3 Floor-West, 122 West 25th Street, Cheyenne, Wyoming 82002.

6. This signed Settlement Agreement and required abatement actions to be performed by ICM as specified above shall constitute full satisfaction for and resolution of all claims by the WDEQ/LQD against ICM, based on the violation alleged in Notice of Violation Docket No. 5420-14. Contingent upon ICM's compliance with the terms of this Settlement Agreement, the WDEQ/LQD will refrain from taking further enforcement action against ICM for the particular violations cited in this Settlement Agreement. By this Settlement Agreement, the parties intend to resolve with prejudice all allegations that were asserted in NOV Docket No. 5420-14.

7. ICM waives any statute of limitations which may apply to an enforcement action by the WDEQ/LQD involving the specific matters described in Notice of Violation Docket No.

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8. Nothing in this agreement precludes WDEQ/LQD from taking additional enforcement action, including the issuance of a Notice of Violation, Order and/or pursuing additional penalties, should ICM violate the Wyoming Environmental Quality Act or applicable rules and regulations in the future.

9. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties.

10. Notwithstanding any other language in this Settlement Agreement, the State of Wyoming and WDEQ do not waive sovereign immunity by entering into this Settlement Agreement with ICM and specifically retain all immunity and all defenses available as sovereigns under state and federal law.

11. Each party shall bear its own attorney fees and costs, if any, incurred through the date this Settlement Agreement is signed by both parties.

12. **This Settlement Agreement is** binding upon ICM its successors and assigns, and upon the WDEQ.

13. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

FOR: Intermountain Construction and Materials

Signed: _____ Date: 6/6/14

Typed: Jeff Dahlen

Title: Regional Manager

FOR: The Wyoming Department of Environmental Quality

_____ Date: 6/12/14
Todd Parfitt, Director
WDEQ

_____ Date: 6/12/14
Nancy Nuttbrock, Deputy Director,
Department of Environmental Quality
Administrator, Land Quality Division

JJJ/MJR

cc: Mark Rogaczewski, WDEQ/LQD, District III
Permit SP0718, NOV Docket No. 5420-14